

## Site Inspection Report

Orderville, Muddy Creek Gemstone Leases:  
ML 26996, ML 27618, ML 41355, & ML 47588

Date of Inspection: August 23, 2001  
Persons Present: William M. Stokes, TLA  
Tom Munson, DOGM  
Shane Crapo, Operator, ML 41354  
Conditions: Sunny and Hot  
Lands Inspection: ML 26996, NE $\frac{1}{4}$ NE $\frac{1}{4}$ , Section 36, T.40S., R.8W.  
ML 27618, NW $\frac{1}{4}$ NW $\frac{1}{4}$ , Section 36, T.40S., R.8W.  
ML 41355, W $\frac{1}{2}$ , (includes lots 1-9, 14-16) Section 31, T.40S., R.7W.  
ML 48588, NE $\frac{1}{4}$ NW $\frac{1}{4}$ , Section 36, T.40S., R.8W.

Since the last inspection of June 13 & 14, 2000, lease ML 19890, which encompassed the E $\frac{1}{2}$ NW $\frac{1}{4}$  has been cancelled, cancellation date 3/15/2000, a portion of the lands encompassed by ML 19890 has been leased under ML 48588 as referenced above. Also cancelled since the June, 2000 site inspection, is ML 41354, cancelled on June 20, 2001. ML 41354 encompassed the SW $\frac{1}{4}$ NW $\frac{1}{4}$  Section 2, T. 41 S., R. 8 W. The lands encompassed by ML 41354 were not inspection on August 23, 2001 and may require reclamation.

See the attached lease hold map for topographic reference to lease locations.

This inspection was conducted in order to document the present surface conditions on the active leaseholds as referenced above. Inspections were made of sites where additional mining had taken place since the site inspection of June 13 & 14, 2000. Where there was a noticeable increase in mine related surface disturbance, from that which was observed in June of 2000, a GPS survey was made of the disturbed lands to more accurately identify current total surface disturbance at those active mine site. This report only includes mining activity on state lands and does not include associated disturbances on adjacent BLM lands. Accompanying this report are updated maps and captioned photographs showing only those mine sites where there is an increase in mine related disturbance since the last inspection conducted in June of 2000. The following is a brief update of surface conditions on each of the active leaseholds.

Lease ML 26996, NE $\frac{1}{4}$ NE $\frac{1}{4}$ , Section 36, T. 40 S., R. 8 W., Lessees: Loy Crapo (50%) and Joseph M. (Mike) Crauso (50%). Since June of 2000, there has been additional mining in the very northeast corner and along the east side of the leased lands. The imprint of the surface disturbance has not increased significantly since June of 2000, therefore, the area of disturbance was not surveyed with the GPS. Both Loy Crapo and Mike Crauso have actively quarried on this leasehold since June of 2000. Both interest owners, Crapo and Caruso, are operating under the reclamation bond in the amount of \$7,000.000, submitted by Mr. Crapo. There has been not surface reclamation since June of 2000. The quarry area nearest to the northeast corner of section

36 remains at 1.25 acres and the quarry area to the south of the northeast corner, where Mike Caruso is currently mining encompasses 1.00 acre of surface disturbance. Refer to the map labeled ML 26996, of the June 13<sup>th</sup>, 2000, report and to photographs numbers 1, 2, & 3, of this report.

Lease ML 27618, NW $\frac{1}{4}$ NW $\frac{1}{4}$ , Section 36, T. 40 S., R. 8 W., Lessees: Loy Crapo 50% and Joseph M. (Mike) Crauso 50%. This lease is commonly referred to as the Trail Canyon lease. As of June, 2000, 5.22 acres of land had been disturbed on the leasehold. There appears to have been some recent mining in the area and some of the quarry sites have been backfilled in preparation for seeding this fall. Photograph number 4 of this report shows backfilling of last years quarry site that is depicted in photograph number 8 of the June 13<sup>th</sup>, 2000 report. Reclamation is jointly shared by Loy Crapo and Mike Crauso, under the \$7,000.00 bond submitted by Loy Crapo. Because the total surface disturbance has not increased noticeably this site was not surveyed. Refer to the GPS survey map, of the June 13<sup>th</sup> 2000 report, titled ML 27618.

Lease ML 41355, W $\frac{1}{2}$  of Section 31, T. 40 S., R. 7 W., Lessee: Olga Berry, Operator: Bob Harris. At the time of this inspection Shane Crapo was on site excavating for Bob Harris. The active mine area has been expanded since the June 13, 2000 inspection. The newly mined area encompassed 1.08 acres, 0.20 acres of which was part of last years mined area and 0.25 acres of land that was graded last year was also disturbed by the recent mining activity. See the attached map of the GPS surveyed areas. Total disturbed area is approximately 1.28 acres including the 1.08 acres from this year's activity and the remaining 0.20 acres from last year's activity. Approximately 0.25 acres of previously graded mined lands has also been re-disturbed by the new mining activity leaving approximately 1.60 acres of land that has been graded in preparation for seeding this fall. Photograph number 5 of this report shows surface conditions of the active mine site on ML 41355 at the time of this inspection. Currently the Trust Lands Administration is holding \$2,700.00 for reclamation of surface disturbance.

Lease ML 48588, NE $\frac{1}{4}$ NW $\frac{1}{4}$ , of Section 36, T. 40 N., R. 8 W, Lessee: Robert L. Harris. The lands encompassed by this lease were formerly held under ML 19890 which included all of the E $\frac{1}{2}$ NW $\frac{1}{4}$  of Section 36. ML 19890 was cancelled for nonpayment of rentals on March 15, 2000. Prior to cancellation of ML19890, and as reported in the June 13, 2000 site inspection report, there were 2.71 acres of un-reclaimed surface disturbance and 1.87 acres of mined land that had been graded and seeded. The recent mining activity, under lease ML 48588, has disturbed approximately 3.37 acres of land, one acre of which overlaps the previous un-reclaimed surface disturbance. Total acres of un-reclaimed mined land, including the active quarry site and the associated overburden dump, is 5.09 acres. See photographs 6 and 7 of this report.

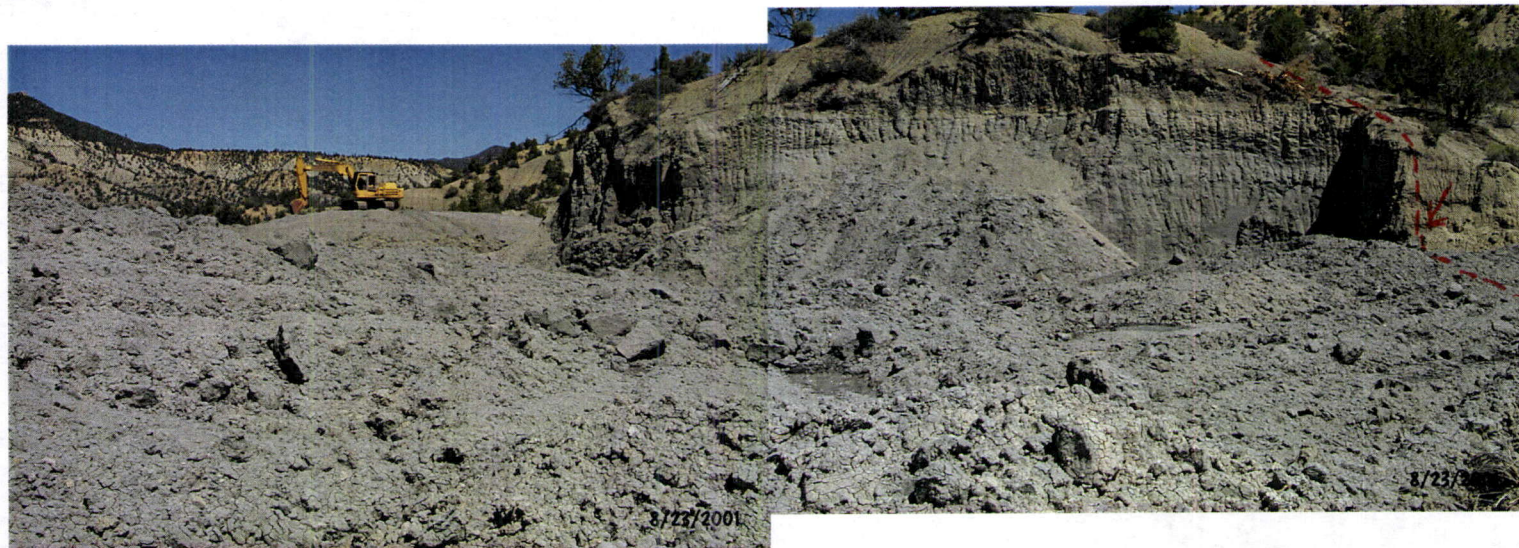




Photograph # /

Looking south from the NE corner of Section 36 onto the quarry, in the very northeast corner of the section, on lease ML 26996. There has been recent excavation by Loy Crapo at this site but the excavation has not significantly increased the size of the disturbed area. The northeast corner of Section 36 is shown in photo # 4 of the June 13 – 14, 2000 site inspection report. The trac-hoe in the background is on the excavation site, presently being worked by Mike Crauso, just south of this site along the east section line. Both sites are shown on the GPS map of the June 13, 2000, report.





Photograph # *2*

Looking northwest onto the site that is currently being excavated by Mike Crauso as shown in the previous photo. This excavation is located on the east section line of ML 26996, in the NE $\frac{1}{4}$ NE $\frac{1}{4}$  of Section 36. He is currently removing material from the small portion of a ridge that extends into the center of the site as shown on the GPS map of the June 13 – 14, 2000 site report. The boundary line of between lease ML 26996 and ML 42355, the Olag Berry lease, is shown by the arrow.





Photograph # 3

A trailer, apparently belonging to Mike Caruso, parked at the excavation site as shown on the previous photograph.

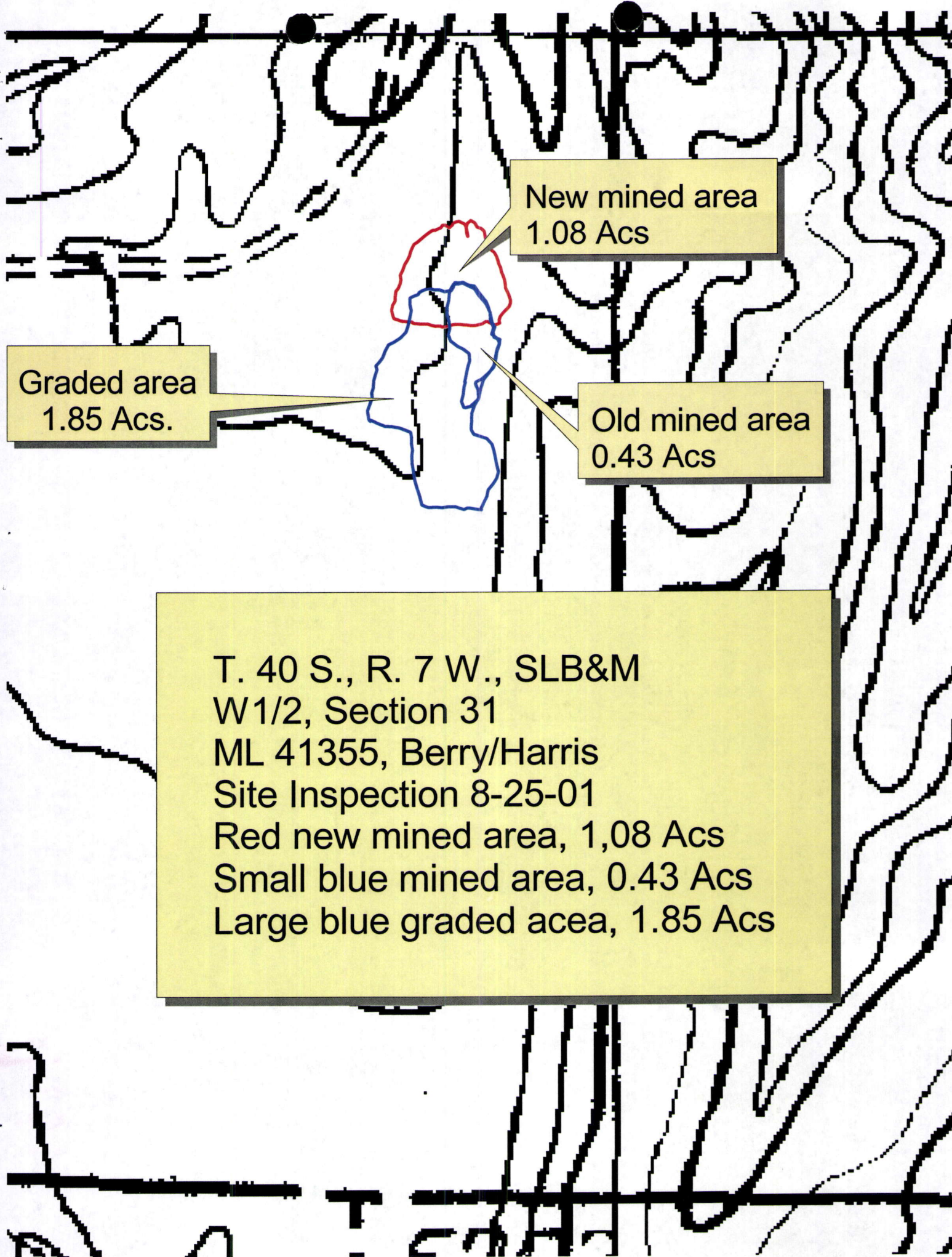




Photograph # 4

Looking south from the center of the mined area on ML 27618, the NW $\frac{1}{4}$ NW $\frac{1}{4}$  of Section 36, from almost the same location as shown in photo # 7 of the June 13 – 14, 2000, surface examination report. The lessee has begun to backfill the pit with excavated material from the north end of this quarry. There is no appreciable difference in the disturbed area at this site.









Photograph # 5

Looking north onto the excavation currently being conducted by Shane Crapo on the Olga Berry lease ML 41355. A re-contoured area, south of this photo point, is shown in photo # 12 of the June 13 – 14, 2000 site report. In this year, 2001, the working quarry has been expanded. For a comparison refer to photo # 11 of the June 13<sup>th</sup> report. The size of the expansion is discussed in the text of this report.



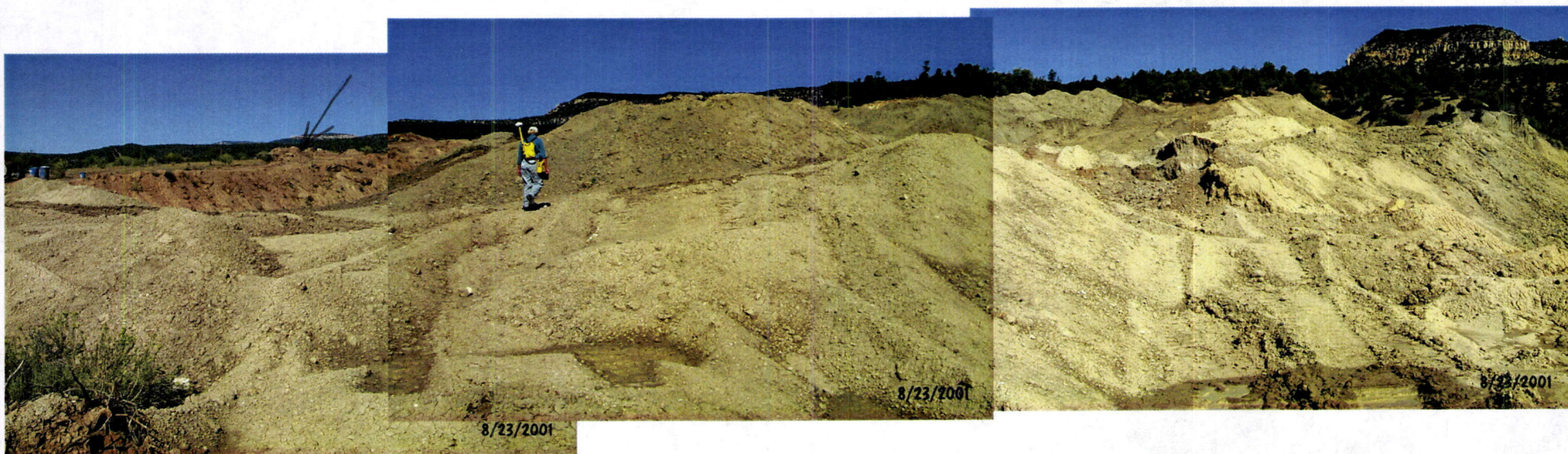
1962

Old mined area  
2,72 Acs.

New mined area  
3.37 Acs.

T. 40 S., R. 8 W., SLB&M  
NE $\frac{1}{4}$ NW $\frac{1}{4}$ , Section 36  
ML 48588, Robert L. Harris  
Purple, Old Mined Area, 2.72 Acs.  
Red, New Mined Area, 3.37 Acs.  
Overlap, approx 1 Acre  
Total Disturbed Acs. 5.09 Acs.





*Photograph #6*

Looking to the west across surface disturbance created by mining activity on ML 48588. Arrow indicates the location of 2001 quarry site.





Photograph # 7

Looking west into the 2001 quarry site on lease ML 48588. Using the human figure standing on the top of the pit wall the wall height can be estimated to be approximately 40 to 50 feet high.



Land Status, Current to 9/11/2001



ML 26996, L. Crapo (50%), M. Crauso (50%)

ML 27681, L. Crapo (50%), M. Crauso (50%)

ML 41355, Olga Berry, Operator: R. Harris

ML 48588, Robert L. Harris (Lease amendment pending)

